

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 19, 2013

File No. 602-19

Daren T. Duncan
Manager of Rates
California Water Service Company
1720 North First Street
San Jose, CA 95112-4598

Dear Mr. Duncan:

The Commission has received and filed the utility's Advice Letter No. 2116, to adjust the Low-Income Ratepayer Assistance surcharge rates for the year 2014, together with the following revised Cal. P.U.C. tariffs sheets that were submitted in accordance with D.12-09-020:

<u>Cal. P.U.C. Sheet No.</u>	<u>Title of Sheet</u>
10098-W	Schedule No. LIRA-SC (LIRA Surcharges)
10099-W	Table of Contents (Page 2)
10100-W	Table of Contents (Page 1)

Enclosed is a copy of the advice letter and tariff sheets, with the filing and effective dates shown, for the utility's files.

Please contact Maria Carmen Rocha at (415) 703-2162 if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jennifer M. Perez", written over a large, stylized circular flourish.

JENNIFER M. PEREZ
Staff Services Analyst
Water & Sewer Advisory Branch

Enclosures

CALIFORNIA PUBLIC UTILITIES COMMISSION DIVISION OF WATER AND AUDITS Advice Letter Cover Sheet	(Date Filed / Received Stamp by CPUC)
	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p style="margin: 0;">FILED</p> <p style="margin: 0; font-size: 1.2em;">OCT 31 2013</p> <p style="margin: 0; font-size: 0.8em;">PUBLIC UTILITIES COMMISSION DIVISION OF WATER AND AUDITS</p> </div>

AL # 2116	Date Mailed to Service List: October 31, 2013	Requested Effective Date: January 1, 2014	Requested Tier: <input type="checkbox"/> Tier 1 <input checked="" type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3
Replacing AL#:	Authorized by: D.12-09-020	Compliance Filing? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Rate \$ 3,913,731 Impact % 0.7

The public has 20 days from Date Mailed (above) to protest this advice letter. If you chose to protest or respond to the advice letter, send Protest and/or Correspondence within 20 days to:

and if you have email capability, also email to: water_division@cpuc.ca.gov

Your protest also must be served on the Utility (see attached advice letter for more information and grounds for protest)

Company Name: California Water Service Company	CPUC Utility Number: WTA U-60-W
Address: 1720 North First Street	
City, State, Zip: San Jose, CA 95112	

	Contact Name:	Phone No.	Fax No.	Email Address:
Filer	DARIN DUNCAN	408-367-8200	408-367-8426	dduncan@calwater.com
Alternate	LONG NGUYEN	408-367-8359	408-367-8426	longuyen@calwater.com

Description:

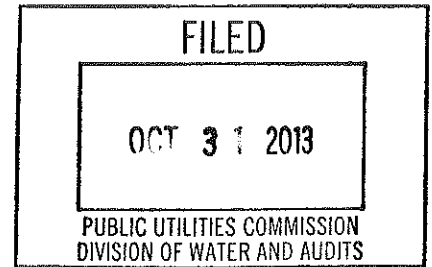
In this space or on the back of this form:

1. Explain justification for requested Tier – Tier 2 in compliance with D.12-09-020.
2. Describe service affected and how it is affected – adjust LIRA surcharges.
3. Describe differences from related Advice Letters (Similar service, replacement filing): n/a

(FOR CPUC USE ONLY)			
WTS Budget/Activity/Type _____/_____/_____		Process as: <input type="checkbox"/> Tier 1 <input type="checkbox"/> Tier 2 <input type="checkbox"/> Tier 3	
		20th Day	30th Day
Project Manager:		Suspended on:	
Analyst:		Extended on:	
Due Date:		Resolution No.:	
Completion Date:		AL/Tariff Effective Date:	



CALIFORNIA WATER SERVICE COMPANY
 1720 NORTH FIRST STREET
 SAN JOSE, CA 95112 • (408) 367-8200 • F (408) 367-8428



October 31, 2013

Advice Letter No. 2116

CALIFORNIA WATER SERVICE COMPANY (U 60 W)

To The Public Utilities Commission of the State of California:

California Water Service Company ("Cal Water") hereby transmits for filing the following changes in its tariff schedules and four copies of each are attached hereto:

<u>C.P.U.C.</u>		<u>Canceling</u>
<u>Sheet No.</u>	<u>Title of Sheet</u>	<u>C.P.U.C.</u>
		<u>Sheet No.</u>
10098-W	Schedule No. LIRA-SC (LIRA Surcharges)	9777-W
10099-W	Table of Contents (Page 2)	10044-W
10100-W	Table of Contents (Page 1)	10097-W

Summary

The purpose of this advice letter filing is to adjust the LIRA surcharge rates for year 2014 based on the forecasted balance in the LIRA Balancing Account for year 2013 and the forecasted LIRA subsidy for year 2014. In D.12-09-020, the Commission approved a settlement agreement between Cal Water and the Division of Ratepayer Advocates (now Office of Ratepayer Advocates "ORA") that adopted a mechanism to allow an annual adjustment and true-up of balances pursuant to a Tier 2 advice letter (LIRABA).

Discussion

Preliminary Statement AJ of the Low-Income Ratepayer Assistance Balancing Account ("LIRABA"), provided below, describes in detail the process to adjust the LIRA surcharges beginning on January 1 of each year. It directs Cal Water to file an advice letter by October 31st of each year.

AJ. Low-Income Ratepayer Assistance Balancing Account (LIRABA)

1. PURPOSE: The purposes of this balancing account are to track the LIRA credits provided, to track the LIRA surcharges collected, and to adjust the LIRA surcharges on January 1 of each year.
2. TIMING AND FREQUENCY: An advice letter to adjust the LIRA surcharges will be filed by October 31st of each year. The adjusted surcharge will be calculated to zero out the forecasted balance anticipated to be in the account at the end of that year, as well as in the account at the end of the following year.



CALIFORNIA WATER SERVICE COMPANY

Advice Letter 2116, LIRA Surcharges for 2014

Page 2

3. ANNUAL SURCHARGE ADJUSTMENT: Calculation of the adjusted surcharge will reflect:

- a) A forecast of the December 31st balance in the LIRABA for the current year that reflects:
 - (i) the most recent recorded balance;
 - (ii) the assumption that the proportion of LIRA to non-LIRA residential enrollment in September will remain constant as a proportion of adopted numbers for October through December; and
 - (iii) the assumption that current LIRA surcharges will be applied to the estimated non-LIRA portion of adopted sales (adopted sales minus estimated LIRA sales based on the proportion of LIRA to non-LIRA residential customers in September), plus interest; and
- b) A forecast of the December 31 balance in the LIRABA for the following year that reflects:
 - (i) the assumption that the proportion of LIRA to non-LIRA residential enrollment in September of the previous year will remain constant as a proportion of adopted numbers; and
 - (ii) the assumption that the new surcharges will be applied to the estimated non-LIRA portion of adopted sales (adopted sales minus estimated LIRA sales based on the proportion of LIRA to non-LIRA residential customers in September of the previous year), plus interest.

4. ACCOUNTING PROCEDURE: The LIRABA will reflect the following entries:

- a) The recorded LIRA customer credits for service provided under Schedule No. LIRA (debit);
- b) Recorded surcharges collected from non-LIRA customers (credit);
- c) Monthly interest expense calculated at 1/12 of the most recent month's interest rate on Commercial Paper (prime, 90-day), published in the Federal Reserve Statistical Release (debit or credit).

For year 2014, the LIRA Surcharges will be \$0.0720 per ccf for all metered non-LIRA customers and \$2.65 per service for all non-LIRA residential flat-rate customers. The work papers used adopted quantities for services and kccf from the 2009 GRC, enrolled LIRA customer count for September 2013, and LIRA customer credits for September 2013.

The LIRA surcharges for flat-rate customers have historically varied by district, although the differences between rates have not been significant. In the absence of a clear methodology for how the LIRA flat-rate surcharges were tailored by district, in its Petition to Modify D.06-11-053, CWS proposed to adjust LIRA flat-rate surcharges by the same percentage that per ccf LIRA surcharges were being adjusted. The Commission approved this approach in D.12-09-020.

Given Cal Water is in the process of converting all flat-rate customers to meters and the variations in the monthly LIRA surcharges for these flat-rate customers are not significant, it makes more sense to adopt the more administratively straightforward approach of applying one flat LIRA surcharge rate to all flat-rate customers.

Requested Effective Date

Pursuant to Ordering Paragraph 4 of D.12-09-020, this filing is a Tier 2 advice letter, effective beginning January 1, 2014.



Notice

Because this advice letter does not result in a rate increase of greater than 10%, Order 96-B, General Rule 96-B does not require Cal Water to give further customer notice at this time. In accordance with General Order 96-B, General Rules 4.3 and 7.2 and Water Industry Rule 4.1, a copy of this advice letter will be mailed or electronically transmitted on October 31, 2013 to competing and adjacent utilities and other utilities or interested parties having requested such notification.

Response or Protest

Anyone may respond to or protest this advice letter. A response supports the filing and may contain information that proves useful to the Commission in evaluating the advice letter. A protest objects to the advice letter in whole or in part and must set forth the specific grounds on which it is based. These grounds are:

- (1) The utility did not properly serve or give notice of the advice letter;
- (2) The relief requested in the advice letter would violate statute or Commission order, or is not authorized by statute or Commission order on which the utility relies;
- (3) The analysis, calculations, or data in the advice letter contain material error or omissions;
- (4) The relief requested in the advice letter is pending before the Commission in a formal proceeding; or
- (5) The relief requested in the advice letter requires consideration in a formal hearing, or is otherwise inappropriate for the advice letter process; or
- (6) The relief requested in the advice letter is unjust, unreasonable, or discriminatory (provided that such a protest may not be made where it would require relitigating a prior order of the Commission.)

A protest shall provide citations or proofs where available to allow staff to properly consider the protest.

A response or protest must be made in writing or by electronic mail and must be received by the Division of Water and Audits within 20 days of the date this advice letter is filed. The address for mailing or delivering a protest is:

Tariff Unit, Division of Water and Audits, 3rd floor
California Public Utilities Commission,
505 Van Ness Avenue, San Francisco, CA 94102
water_division@cpuc.ca.gov



CALIFORNIA WATER SERVICE COMPANY

Advice Letter 2116, LIRA Surcharges for 2014

Page 4

On the same date the response or protest is submitted to the Division of Water and Audits, the respondent or protestant shall send a copy by mail (or e-mail) to Cal Water, addressed to:

Darin Duncan
California Water Service Company
1720 North First Street,
San Jose, California 95112
Fax 408/367-8426 or
E-mail dduncan@calwater.com.

Cities and counties that need Board of Supervisors or Board of Commissioners approval to protest should inform the Division of Water and Audits, within the 20 day protest period, so that a late-filed protest can be entertained. The informing document should include an estimate of the date the proposed protest might be voted on.

The advice letter process does not provide for any responses, protests or comments, except for the utility's reply, after the 20-day comment period.

Replies: The utility shall reply to each protest and may reply to any response. Each reply must be received by the Division of Water and Audits within 5 business days after the end of the protest period, and shall be served on the same day to the person who filed the protest or response.

If you have not received a reply to your protest within 10 business days, contact California Water Service Company at 408/367-8200.

CALIFORNIA WATER SERVICE COMPANY

A handwritten signature in cursive script that reads "Darin T. Duncan".

Darin T. Duncan
Manager of Rates

Enclosures

cc: Ting-Pong Yuen, ORA

Table of Contents

The following listed tariff sheets contain all effective rates and rules affecting the rates and service of the Utility together with information relating thereto:

<u>Sheet Subject Matter</u>	<u>Cal. P.U.C. Sheet No.</u>
Title Page	5613-W
Table of Contents	10100-10099-10085-10096-10063-9242-9285-8630-2926-W (C)
Preliminary Statement A	9240-8212-W
Preliminary Statement B-D	610-W
Preliminary Statement E	6175-W
Preliminary Statement F	8312-W
Preliminary Statement G	6479-W
Preliminary Statement H	6686-W
Preliminary Statement I	6757-W
Preliminary Statement J	6759-W
Preliminary Statement K	7313-W
Preliminary Statement L	7107-W
Preliminary Statement M	7345-8372-9682-9931-9817-9820-9895-9844-10068-W
Preliminary Statement M	3-10079-9719-9851-9826-10084-9908-10089-10095-W
Preliminary Statement M	742-9744-9749-9832-9915-10051-9918-10004-9922-W
Preliminary Statement O	7318-W
Preliminary Statement P	7446-W
Preliminary Statement Q	10043-W
Preliminary Statement R	8011-W
Preliminary Statement S	8013-W
Preliminary Statement T	8017-W
Preliminary Statement U	8446-W
Preliminary Statement V	8154-W
Preliminary Statement W	8156-W
Preliminary Statement X	8314-W
Preliminary Statement Y	8316-W
Preliminary Statement Z	8805-W
Preliminary Statement AA	8634-W
Preliminary Statement AB	8635-W
Preliminary Statement AC	8637-W
Preliminary Statement AD	8807-W
Preliminary Statement AE	9022-9023-W
Preliminary Statement AF	9025-W
Preliminary Statement AG	9032-W
Preliminary Statement AH	9147-W
Preliminary Statement AJ	9671-W

(continued)

Table of Contents
 (continued)

<u>Sheet Subject Matter</u>	<u>Service Area</u>	<u>Schedule Number</u>	<u>Cal. P.U.C. Sheet No.</u>
<u>RATE SCHEDULES:</u>			
ALL DISTRICTS			
Service to Company Employees		ED-1	5168-W
Surcharge to Fund Public Utilities Commission Reimbursement Fee		UF	6827-W
Rate Support Fund		RSF	8595-W
Low Income Ratepayer Assistance (Page 1 of 2)		LIRA	8596-W
Low Income Ratepayer Assistance (Page 2 of 2)		LIRA	6689-W
Low Income Ratepayer Assistance Surcharge		LIRA-SC	10098-W (C)
PBOP Surcharge		PB	7049-W
Additional Surcharges/Surcredits		AS	10042-W
ANTELOPE VALLEY DISTRICT			
Residential Metered Service - Leona Valley Service Area		AV-LEO-1-R	10007-W
Nonresidential Metered Service - Leona Valley Service Area		AV-LEO-1-NR	9967-W
Residential Metered Service-Lancaster Service Area		AV-LAN-1-R	10008-W
Nonresidential Metered Service- Lancaster Service Area		AV-LAN-1-NR	9969-W
General Metered Service-Fremont Valley Lake Hughes Service Area		AV-FM-1	10009-W
Limited Residential Flat Rate Service-Lake Hughes Service Area		AV-LH-2R	6550-W
Private Fire Protection Service-All Antelope Valley Service Areas		AV-4	9529-W
BAKERSFIELD DISTRICT			
Residential Metered Service		BK-1-R	10010-W
Nonresidential Metered Service		BK-1-NR	9929-W
Residential Flat Rate Service		BK-2R	10011-W
Private Fire Protection Service		BK-4	9534-W
Public Fire Hydrant Service		BK-5	3444-W
BAYSHORE DISTRICT			
Residential Metered Service - Mid Peninsula Service Area (Page 1 of 2)		BA Y-MID-1-R	10012-W
Residential Metered Service - Mid Peninsula Service Area (Page 2 of 2)		BA Y-MID-1-R	9888-W
Nonresidential Metered Service - Mid Peninsula Service Area (Page 1 of 2)		BA Y-MID-1-NR	9814-W
Nonresidential Metered Service - Mid Peninsula Service Area (Page 2 of 2)		BA Y-MID-1-NR	9889-W
Residential Metered Service - South San Francisco Service Area		BA Y-SSF-1-R	10013-W
Nonresidential Metered Service - South San Francisco Service Area		BA Y-SSF-1-NR	9891-W
Private Fire Protection Service		BA Y-4	9542-W
BEAR GULCH DISTRICT			
Residential Metered Service		BG-1-R	10014-W
Nonresidential Metered Service		BG-1-NR	9933-W
Private Fire Protection Service		BG-4	9546-W
Public Fire Hydrant Service		BG-5	9547-W
CHICO - HAMILTON CITY DISTRICT			
Residential Metered Service		CH-1-R	10015-W
Nonresidential Metered Service		CH-1-NR	9893-W
Residential Flat Rate Service		CH-2R	10016-W
Schools and Public Park Flat Rate Service		CH-2L	9552-W
Private Fire Protection Service		CH-4	9553-W
DIXON DISTRICT			
Residential Metered Service		DX-1-R	10017-W
Nonresidential Metered Service		DX-1-NR	9972-W
Private Fire Protection Service		DX-4	9557-W

(continued)

Schedule No. LIRA-SC

All Tariff Areas

LIRA Surcharge

APPLICABILITY

Applicable to all water service except that provided for private fire protection service and that provided under Schedules OR-3M, OR-3M-I, and OR-2UL for raw water delivery along the Powers Canal. Customers receiving a credit under schedule LIRA are also exempt from this tariff.

TERRITORY

All territories served.

QUANTITY RATE SURCHARGE

All water sold, per 100 cu. Ft \$0.0720 (1)

FLAT RATE SURCHARGE

Per Service Per Month:

Bakersfield District	\$2.65	(1)	Oroville District	\$2.65	(1)
Chico District	\$2.65	(1)	Selma District	\$2.65	(1)
Marysville District	\$2.65	(1)	Willows District	\$2.65	(1)

SPECIAL CONDITIONS

I. Amortization of non-discretionary balance in the Low-Income Ratepayer Assistance Memorandum Account over a 36-month period, beginning October 12, 2012, the effective date of Advice Letter 2086-A.

QUANTITY RATE SURCHARGE

All water sold, per 100 cu. Ft \$0.0182

FLAT RATE SURCHARGE

Per Service Per Month:

Bakersfield District	\$0.75	Oroville District	\$0.49
Chico District	\$0.44	Selma District	\$0.71
Marysville District	\$0.46	Willows District	\$0.58

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. 2116

PAUL G. TOWNSLEY
NAME

Date Filed OCT 31 2013

Decision No. 12-09-020

Vice President
TITLE

Effective JAN - 2014

Resolution No. -